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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07

OPIC-12 CIEP-02 OMB-01 AGR-20 STR-08 CEA-02 NIC-01

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DEPARTMENT OF STATE IM/IPS/CR/IR Date: 11/19/97
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E.O. 11652: N/A

TAGS:

SUBJECT: ARGENTINE TRADE WITH CUBA - ARGENTINE MINISTER OF ECONOMY.
GELBARD REPORTS ON VISIT TO CUBA.

REFS: (A) BUENOS AIRES 1554. - PRESS COMMENTS
(B) BUENOS AIRES 1424. - PRESS COMMENTS

1. SUMMARY: SOON AFTER HIS RETURN FROM CUBA, ARGENTINE MINISTER OF ECONOMY GELBARD HELD PRESS CONFERENCE TO SPELL OUT RESULTS MISSION VISIT TO CUBA.
CLAIMED SALES CONTRACTS FOR ARGENTINE GOODS NEW TOTAL OVER \$500 MILLION AND PROSPECTS FOR FUTURE SALES VERY BRIGHT.
EMPHASIZED ARGENTINA WILL IGNORE IDEOLOGICAL BARRIERS TO TRADE.
LABOR LEADERS AND BUSINESSMEN ACCOMPANYING GELBARD ADDED THEIR COMMENTS REGARDING SUCCESS OF VISIT. SOME OF B.A. PRESS BEGINNING ASK HOW CUBA WILL PAY.
END SUMMARY.

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2. MINISTER OF ECONOMY GELBARD RETURNED TO ARGENTINA ON FEB. 28 VIA RUSSIAN-BUILD PLANE OF COMPANIA CUBANA DE AVIACION. OTHER OFFICIALS AND BUSINESSMEN WHO ACCOMPANIED MINISTER RETURNED 1-2 DAYS LATER AMID SUBSTANTIAL PUBLICITY.

3. ON MONDAY, MARCH 4, MINISTER GELBARD HELD PRESS CONFERENCE TO REPORT ON MISSION RESULTS. DURING PRESS CONFERENCE HE WAS ACCOMPANIED BY PRESIDENT OF CGE, JULIO BRONER; CGT LEADER

ADALINO ROMERO; AND VP OF ARGENTINE INDUSTRIAL UNION CANTILLO BRAUN. GLEBARD TOLD PRESS THAT ARGENTINE OFFICIALS HAD NOT REALIZED HOW LARGE TRADE POSSIBILITIES WITH CUBA MIGHT BE BUT THAT DURING VISIT TO CUBA IT BECAME EVIDENT THAT CUBA WILL QUICKLY BECOME LEADING LATIN AMERICAN MARKET FOR ARGENTINE PRODUCTS BECAUSE, IN ADDITION TO AUTOS, TRACTORS, OTHER VEHICLES, AND AGRICULTURAL MACHINERY ALREADY SOLD, CUBANS ARE INTERESTED IN BUYING WIDE RANGE OF CAPITAL AND CONSUMER GOODS RANGING FROM SHIPS THROUGH CANNING PLANTS, BAKERIES, CRYSTAL AND PORCELAIN, TEXTBOOKS TO YERBA MATE TEA.

HE STATED THAT MANY ADDITIONAL CONTRACTS HAD BEEN CONCLUDED IN PREVIOUS WEEK AND TOTAL OF ARGENTINE SALES TO CUBA NOW CLOSE TO \$500 MILLION. A PROSPECTIVE CONTRACT TO BUILD SHIPS FOR CUBA IN ARGENTINE SHIPYARDS WOULD RAISE SALES TO CUBA BY NEARLY \$100 MILLION MORE.

4. GELBARD EMPHASIZED THAT THE APPARENT IMPEDIMENTS OR INCONVENIENCES IN DEALING WITH CUBA THAT HAVE APPEARED IN THE PAST HAVE NOW BEEN ENTIRELY OVERCOME SINCE ARGENTINE "GOVERNMENT OF THE PEOPLE" HAS VAULTED IDEOLOGICAL BARRIERS. THIS THEME WAS REITERATED BY JULIO BRONER OF CGE AND APPARENTLY BY ARGENTINE SENATORS AND DEPUTIES WHO HAD ACCOMPANIED MISSION. ARGENTINE LABOR LEADER ROMERO OF CGT ADDED HIS BIT TO PRESS CONFERENCE BY STATING THAT A GROUP OF REPRESENTATIVES FROM CUBA'S LEADING LABOR ORGANIZATION CUTC WILL SOON VISIT B.A. IN RESPONSE CGT INVITATION.

5. RESPONDING TO REPORTERS' QUESTIONS, GELBARD REPORTEDLY STATED THAT US AUTO FIRMS SUBSIDIARIES IN ARGENTINA WILL SOON BE SELLING TO CUBA BECAUSE "THIS IS A DECISION NOT SUBJECT TO NEGOTIATION OR DISCUSSION WITH ANYONE." 6. LARGE MAJORITY OF PRESS STORIES ON MARCH 5 REPORTING GELBARD'S PRESS CONFERENCE FINESSED SUBJECT OF CUBAN PAYMENT IN ONE MANNER OR ANOTHER.

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SOME POINTED OUT CUBA WOULD SHIP TO ARGENTINA COFFEE, TOBACCO, TROPICAL FRUITS AND NICKEL, PAYING REMAINDER ACCORDING TO TERMS OF ARGENTINE CREDIT. OTHERS CONTENTED THEMSELVES WITH STATING CUBANS APPEARED UNCONCERNED OVER QUANTITIES OF PRODUCTS TO BE SOLD ARGENTINA SINCE INITIATION OF CUBAN-ARGENTINE TRADE WAS A POLITICAL DECISION. ARGENTINE OFFICIALS HAVE NOT CLEARLY ADDRESSED THIS QUESTION IN PUBLIC PRONOUNCEMENTS AND ONLY FEW VOICES ARE HEARD ON SUBJECT. B.A. HERALD ON MARCH 3 EDITORIAL POINTED OUT THAT, IF PUBLIC ANNOUNCEMENTS CONCERNING SALES CONTRACTS ARE TO BE BELIEVED, CUBAN COMMITMENTS TO BUY HAVE ALREADY PASSED POINT WHERE A DOUBT MUST ARISE CONCERNING CUBAN ABILITY TO PAY.

IN ITS LEAD EDITORIAL ON MARCH 6, LA PRENSA DISCUSSES LARGE VOLUME OF PROSPECTIVE SALES TO CUBA, SMALL LIKELIHOOD THAT CUBA CAN SELL SIGNIFICANT VOLUME OF PRODUCTS TO ARGENTINA, RELATIVELY POOR SITUATION OF CUBAN ECONOMY SUBSIDIZED BY RUSSIA AND OTHER COMECON COUNTRIES, THREE-BILLION-DOLLAR DEBT TO USSR, ETC. EDITORIAL CONCLUDES, "THE MANNER IN WHICH OFFICIAL INFORMATION HAS BEEN GIVEN CONCERNING AGREEMENTS WITH CUBA RAISES DOUBTS NOT ONLY ABOUT THE REAL VALUES OF THE TRADE

TO BE UNDERTAKEN, BUT ALSO CONCERNING THE PAYMENT TO BE MADE.
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